

Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237 or visit www.mpmc.mb.ca & www.spimg.ca

Tuesday, April 13, 2010

Hog Prices: ↔ Soymeal: ↑
Corn: ↔ Cdn Dollar: ↑

Forward contract prices opened steady this morning. US cash markets are called steady to \$0.50/cwt lower this morning as packers are protecting their hog margins by keeping a lid on cash bids. However, the pork cut-out is still holding its ground at nearly \$80.00/cwt, up 30% from year ago levels. Providing the strength in pork prices are hams, bellies and pork trimmings that are double what they were trading at in April 2009. Lean Hog futures came under some pressure due to the weakness in the cash market and the still large premium that the summer month contracts hold over the cash market. Summer month prices will likely continue to drop until cash prices find some support. The Canadian Dollar is still trading just under parity with the US Dollar, with traders taking a wait and see approach to currency markets after yesterday's announced bailout for Greece.

Canadian delivered soymeal prices opened higher this morning. Soymeal markets are trading higher this morning despite production factors gain increased attention by traders. Export demand, specifically from China, appears to be beating expectations as most thought any new Chinese business would be directed at South America. However, last week China increased their orders for US soybeans by about 1 million tonnes.

Canadian delivered corn prices opened steady this morning. Corn markets are reacting to this morning's release of the Crop Progress report. US farmers have approximately 3% of their Corn planted, largely in the southern section of the mid-west. This total is slightly behind the 5 year average of 4% complete, but traders expect good dry weather to take them ahead of the average within the next two weeks.

US Slaughter	
409,000—Monday's	
290,000—Monday's (year ago)	
US Iowa/Sthrn MN	\$73.50
Western Corn Belt	\$73.43
Daily National Price	\$75.36
Daily Sig3(M.Leaf)	\$134.80
Daily Sig4(M.Leaf)	\$133.96
4-Month Fwd Avg	\$147.19
#1 Export Sows (+500lbs)	\$48.60 cwt
B of C Ex. Rate (Noon)	\$1.0015 CAD / \$0.9985 US
Cash Prices: Week Ending April 9th, 2010	
61.71/136.04 Signature #3	
58.28/128.48 Signature #4	
59.83/131.90 MPMC Cash	
58.51/129.00 Springhill	

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	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range: (Maple Leaf Sig. #3)		147.49 148.41	147.49 151.16	149.08 150.31	145.86 148.93	133.89 136.43	130.53 135.04	121.77 129.14	117.83 126.38
(Maple Leaf Sig. #4)		142.64 143.18	144.42 146.74	146.00 147.03	143.02 146.71	133.76 139.10	129.25 133.27	121.76 127.65	122.15 127.65
Estimated Hog Margin		19.15	21.79	21.69	19.61	12.12	9.65	5.10	5.0
Soymeal Delivered	334	334	334	334	340	334	309	308	308
Corn Delivered	143	145	147	149	151	153	155	153	153

Rothsay Animal Vegetable Feed Fat

\$573/tonne ↑ (2 – 19 mt)

To place your order call 1-866-768-4729

*Price quoted is FOB Southeast Manitoba

